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SENATE BILL 204

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

PAULINE B. EISENSTADT

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION
FOR RECEIPTS FROM ADMINISTRATIVE AND ACCOUNTING SERVICES
PROVIDED TO AFFILIATED BUSINESS ENTITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-69 NMSA 1978 (being Laws 1969,
Chapter 144, Section 61, as amended) is amended to read:

"7-9-69. DEDUCTION--GROSS RECEIPTS TAX--ADMINISTRATIVE
AND ACCOUNTING SERVICES.--

A. Receipts of a corporation for administrative,
managerial and accounting services performed by it for an
affiliated corporation or affiliated limited partnership upon
a nonprofit or cost basis and receipts from an affiliated
corporation or affiliated limited partnership for the joint
use or sharing of office machines and facilities upon a

Underscored material = new
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1 nonprofit or cost basis may be deducted from gross receipts.

2 B. For the purposes of this section:

3 (1) "affiliated limited partnership" means a
4 limited partnership that directly or indirectly through one or
5 more intermediaries controls, is controlled by or is under
6 common control with the subject corporation. For purposes of
7 this paragraph, "control" means ownership of an interest in a
8 limited partnership that:

9 (a) represents at least fifty percent
10 of the total voting power of that corporation; and

11 (b) has a value equal to at least fifty
12 percent of the total value of that limited partnership; and

13 (2) "affiliated corporation" means a
14 corporation that directly or indirectly through one or more
15 intermediaries controls, is controlled by or is under common
16 control with the subject corporation. For the purposes of
17 this [subsection] paragraph, "control" means ownership of
18 stock in a corporation [which] that:

19 ~~[(1)]~~ (a) represents at least fifty
20 percent of the total voting power of that corporation; and

21 ~~[(2)]~~ (b) has a value equal to at least
22 fifty percent of the total value of the stock of that
23 corporation. "

24 Section 2. APPLICABILITY. --The provisions of this act
25 apply to receipts received after July 1, 1998.

. 122178. 1

1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

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5
6 January 31, 1998

7
8 Mr. President:

9
10 Your COMMITTEES' COMMITTEE, to whom has been referred

11
12 SENATE BILL 204

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14 has had it under consideration and finds same to be GERMANE, in
15 accordance with constitutional provisions, and thence referred to the
16 WAYS & MEANS COMMITTEE.
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19 Respectfully submitted,

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24 _____
25 Manny M. Aragon, Chairman

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Adopted _____ Not Adopted _____

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(Chief Clerk)

(Chief Clerk)

Date _____

S0204CC1

1 FORTY-THIRD LEGISLATURE

2 SECOND SESSION, 1998

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4
5 February 7, 1998

6
7 Mr. President:

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9 Your WAYS AND MEANS COMMITTEE, to whom has been referred

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11 SENATE BILL 204

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13 has had it under consideration and reports same with recommendation
14 that it DO PASS, and thence referred to the FINANCE COMMITTEE.
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17 Respectfully submitted,

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22 Carlos R. Cisneros, Chairman
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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

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The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Duran, Kidd, Leavell, Wilson

Absent: None

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FORTY-THIRD LEGISLATURE

SECOND SESSION

February 17, 1998

HOUSE FLOOR AMENDMENT number _____ to SENATE BILL 204

Amendment sponsored by Representative Jerry W. Sandel

1. On page 1, strike lines 20 through 25 and on page 2, strike lines 1 through 18 and insert in lieu thereof:

"A. Receipts of a corporation or an affiliate for administrative, managerial, accounting and customer services performed by it for the corporation or an affiliate upon a nonprofit or cost basis and receipts from the corporation or an affiliate for the joint use or sharing of office machines and facilities upon a nonprofit or cost basis may be deducted from gross receipts.

B. For the purposes of this section, "an affiliate" means a corporation or a limited partnership that directly or indirectly

FORTY-THIRD LEGISLATURE
SECOND SESSION

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HF1/SB 204

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through one or more intermediaries controls, is controlled by or is under common control with the subject corporation or limited partnership. For purposes of this subsection, "control" means ownership of stock in a corporation or of an interest in a limited partnership that: "

2. On page 2, line 19, strike the brackets and line-through and the underscored subparagraph designation.

3. On page 2, line 20, after "corporation" insert "or limited partnership".

4. On page 2, line 21, strike the brackets and line-through and the underscored subparagraph designation.

5. On page 2, line 23, after "corporation" insert "or limited partnership".

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FORTY-THIRD LEGISLATURE
SECOND SESSION

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HF1/SB 204

Page 10

Jerry W. Sandel

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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FORTY-THIRD LEGISLATURE
SECOND SESSION

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2 HF1/SB 204

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Date _____

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1 FORTY- THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 February 17, 1998
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8 Mr. Speaker:
9

10 Your TAXATION AND REVENUE COMMITTEE, to whom has been
11 referred
12

13 SENATE BILL 204
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15 has had it under consideration and reports same with
16 recommendation that it DO PASS.

17 Respectfully submitted,
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22 Jerry W. Sandel, Chair man
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Underscored material = new
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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

HTRC/SB 204

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Sandoval

Absent: Lovejoy, Lujan, Russell

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